



- 2 -

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Civil Home Guard

4. Communist officials stated to source that the home defense guard is very well organized. These are the people who remain in the city after the uniformed troops have moved out, and their mission is to hamper the Nationalists after they have taken the city. These are the underground snipers who wear no uniforms and are unidentifiable.

Prisoners in Kalgan

- 25X1A 5. While [REDACTED] two to four hundred prisoners, many of whom appeared to be Japanese or Korean, were marched through the streets, carrying their packs. They were heavily guarded by soldiers with rifles, machine guns and swords. Later, on the same day, twenty more prisoners were also marched through the streets. This group was composed of Chinese only, but was similarly guarded. Both groups were marching in the direction of the railroad station.

Religious Institutions in Kalgan

- 25X1A6a 6. The Chinese Catholic missionary who is in charge of Kalgan's Catholic Church has about 120 parishioners, composed principally of merchants and railway workers, both groups being long-time residents of that area. He stated that the only tax the Communist government required him to pay was 30,000 BNB [REDACTED] Note: Border National Bank ?? yearly as a land tax. He also said that the Communists have never actually interfered with his work, with the exception of preventing the sisters from doing social service work throughout the community; and this was because there was a government-sponsored social service bureau in Kalgan. He received permission from the Communists to operate his school; however, because of lack of funds and the poverty of the people, the school has not been open for the past several years.
7. The attitude of the Belgian fathers is violently anti-Communist, and this is undoubtedly because the church, which is a large land-holder, was treated just as other land-holders were treated. This resulted in much suffering for the Belgian fathers involved. In Kalgan these fathers tell many stories of the Communists' looting and destruction of church property, abuse of Christians, and stoning and imprisoning, as well as beating, of priests. Some of this treatment they charge to irresponsible people, with little intelligence and training, who suddenly come into power under the Communists and use poor judgment. They also charge part of their injury to the mass psychology and emotionalism used by the Communists in their propaganda techniques.
- 25X1A 8. A Norwegian woman who belongs to a Protestant Bible Group in Kalgan and has lived most of her life in Mongolia stated that it was her belief that the Communists were superficially approving, but, underneath, fundamentally opposed to any Christian religious activity. The Norwegian mission in Kalgan invested large sums of money in their hospital and institution on reassurances from the Communist government that they were in favor of the Norwegians' work; however, the Norwegians found that they had no customers. They [REDACTED] that the local people were given insidious propaganda against the church, although publicly the government claimed to approve of the church's activities.

~~CONFIDENTIAL~~

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CENTRAL INTELLIGENCE GROUP

- 3 -

~~CONFIDENTIAL~~Russians in Kalgan

9. There are now 120 Russians living in Kalgan; none are in official capacities. These people live in their own community and have their own hall and school. Outwardly they appear to be very pro-Soviet, with a display of flags and pictures, and all but ten have reportedly taken out Soviet citizenship papers; however, their conversations reveal little genuine Soviet or Chinese Communist sympathy. Some of the Russians own their own businesses, such as restaurants and garages, but most of them are employed by the Chinese and earn comparatively small salaries.
10. UNRRA Personnel in Kalgan

UNRRA personnel stationed in Kalgan for the purpose of observing and supervising the distribution of UNRRA materials have been kept from starting their mission on the excuse that it will take a considerable period of time to make a registration of the needy people. These UNRRA people have been given very little information and have seen practically nothing. An UNRRA specialist in farming was denied the opportunity to go into Suiyuan Province, and it is apparent that this was because of the Communists' fear of his observing any troop movements. Also, the industrial rehabilitation representative was not permitted to see any of the public utilities or to talk about the subject. He was requested to indicate what would be available from UNRRA, and the Communists would then, themselves, decide what was needed and request necessary supplies from the list he had prepared.

Business in Kalgan

11. During the latter part of September, business on the whole appeared to be good. Official exchange rates were: 3,400 BNB to \$1.00 US and 100 BNB to 125 CNC. When no government representatives were present, however, shopkeepers would give much better prices in CNC or U. S. They apparently were not anxious to retain their BNB currency. Also, the local merchants were not as eager to sell their goods as previously, perhaps indicating that there is a great deal of hoarding taking place.

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